

Message Text

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INFO OCT-01 EUR-12 ISO-00 STR-04 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

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R 201043Z AUG 76

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 9388

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E.O. 11652: N/A

TAGS: UNIDO, AORG, ABUD, OCON, EIND, EAID

SUBJECT: RESUMED TENTH SESSION OF INDUSTRIAL DEVELOPMENT
BOARD - REVISED UNIDO PROGRAM/BUDGET 1976-77

REF: (A) STATE 202862, (B) STATE 200721, (C) VIENNA 6850

1. AS FORECAST AT IDB-X DRAFT REVISED UNIDO PROGRAM/BUDGET FOR THIS BIENNIUM (DOCUMENT TS1000) SHOWS SUBSTANTIAL INCREASE OF \$2,367,000 OR 5.24 PERCENT ABOVE AMOUNT OF \$45,157,000 APPROVED FOR BIENNIUM BY 30TH GA. SECRETARIAT TELLS US THAT AFTER ALLOWING FOR INFLATION, SHIFT IN ACCOUNTING RATE OF EXCHANGE AND FACT THAT IGC REQUIRES AT LEAST A FOURTH SESSION (SEE PARA 5 BELOW) RECALCULATED INCREASE SMOUNTS TO \$2,945,100 FOR A TOTAL 1976-77 BUDGET OF \$48,102,100 - A JUMP OF SOME 6.3 PERCENT ABOVE THE AMOUNT PREVIOUSLY APPROPRIATED FOR THIS BIENNIUM. TOTAL OF \$2,945,000 BREAKS DOWN AS FOLLOWS (A) INFLATION - \$245,700, (B) MORE FAVORABLE RATE OF EXCHANGE THAN ANTICIPATED PRIOR TO 30TH GA APPROPRIATIONS - SAVING OF \$451,200, (C) COSTS OF FOUR SESSIONS OF IGC - \$614,000 AND (D) PROGRAM INCREASES OF

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\$2,536,600. THIS INCREASE IS INTENDED INTER ALIA

TO PROVIDE FOR 60 ADDITIONAL POSTS. THE 20 POSTS INTENDED FOR THE JOINT INDUSTRY DIVISIONS IN THE FIVE REGIONAL COMMISSIONS ARE THE SUBJECT OF COMMENT IN SEPTEL. TOTAL RESOURCES FOR UNIDO ACTIVITIES FOR 1976-77 FROM ALL SOURCES ARE NOW ESTIMATED TO TOP \$130 MILLION.

2. ALTHOUGH THE REVISED PROGRAM/BUDGET REFLECTS A ZERO-BASE RECALCULATION BY THE SECRETARIAT, THE MISSION FINDS IT EXTREMELY DIFFICULT TO JUDGE THE VALIDITY OF THE RESULTING BUDGET ESTIMATES IN THE ABSENCE OF MEANINGFUL LINKS BETWEEN THE DESCRIPTIONS OF ACTIVITIES TO BE UNDER-TAKEN BY THE VARIOUS PROGRAM COMPONENTS UNDER THE HEADING OF MEDIUM-TERM OBJECTIVES AND THE ASSOCIATED STATEMENTS OF RESOURCE REQUIREMENTS. AN EXAMPLE OF UNHELPFUL EXPLANATION OF THE NEED FOR ADDITIONAL STAFF OF THE APPEARS IN RESPECT OF THE NEW YORK LIAISON OFFICE (PAGE D-19), I.E., "THE ADDITIONAL STAFF ARE REQUIRED IN ORDER TO GIVE SUPPORT, WHEN SO REQUESTED BY HEADQUARTERS UNITS, ON A LARGER SCALE THAN PREVIOUSLY."

UNDER THE OLD SYSTEM OF BUDGET PRESENTATION IN UNIDO (PRIOR TO THE INTRODUCTION OF UN PROGRAM/BUDGETING) EACH HEADQUARTERS ACTIVITY PROPOSAL WAS ACCOMPANIED BY A STATEMENT OF THE MAN-MONTHS REQUIRED FOR ITS IMPLEMENTATION, SO THAT EVEN WITH THE WEAKNESSES OF THAT APPROACH IT WAS POSSIBLE TO ESTABLISH A CONNECTION BETWEEN STATEMENTS OF PROPOSED ACTIVITIES AND REQUESTS FOR POSTS OR CONSULTANTS. WE ARE ASSURED BY THE SECRETARIAT, HOWEVER, THAT DETAILED WORKSHEETS JUSTIFYING POST REQUESTS WILL BE AVAILABLE FOR ACABQ EXAMINATION.

3. ANOTHER DEFECT OF THE PRESENTATION, MAKING IT DIFFICULT TO JUDGE THE VALIDITY OF STAFFING REQUESTS, IS THE ABSENCE OF BREAKDOWN OF THE SECTION REQUESTS FOR P POSTS BY GRADE SO AS TO PROVIDE A MEANINGFUL PICTURE OF THE PROPOSED STAFFING PATTERN. GRADE BREAKDOWN IS PROVIDED ONLY FOR THE MAJOR PROGRAM COMPONENTS.

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4. IN TERMS OF THE NEW MANNING TABLE THE LARGEST SHIFTS ARE THE PROPOSED INCREASE OF 33 (INCLUDING THE 20 FOR ASSIGNMENT AS OUTPOSTED RESEARCH OFFICERS TO THE REGIONAL COMMISSIONS) FOR THE ICIS AND THE REDUCTION OF 41 IN THE INDUSTRIAL OPERATIONS DIVISION CHARGED WITH IMPLEMENTATION OF TECHNICAL COOPERATION PROJECTS. THIS REFLECTS SHIFT IN ATTENTION AND EMPHASIS

OF SECRETARIAT TO THE POLICY AND RELATED QUESTIONS
CONNECTED WITH THE ACHIEVEMENT OF THE LIMA TARGETS FOR
INDUSTRIAL DEVELOPMENT OF THE LDCS. GIVEN THE
VIEW APPARENTLY WIDESPREAD IN IOD THAT THEY ARE FACED
WITH A SIGNIFICANT REDUCTION IN THEIR IMPLEMENTATION
CAPACITY, G-77 DELS MAY NOT TAKE KINDLY TO IT. TWO
LDC REPS WITH WHOM WE HAD OCCASION TO SPEAK RECENTLY
WERE CRITICAL OF THE CUTBACK.

5. DEPT WILL NOTE THAT ADDITIONAL AMOUNT OF
\$449,000 INCLUDED IN OVERALL PROPOSED INCREASE TO
COVER EXPENSES OF IGC MEETINGS PROVIDES FOR ONLY THE
FIRST THREE SESSIONS (B-1). HOLDING OF IGC-IV
IN NOVEMBER NECESSITATES INCREASING THIS AMOUNT AS
REPORTED ABOVE.

6. AMONG OTHER EYE-CATCHING INCREASES ARE THE AMOUNTS
REQUESTED FOR CONSULTANTS - AN INCREASE FROM \$1.56 MILLION
APPROPRIATED BY THE 30TH GA TO \$4.55 MILLION - AND FOR
AD HOC EXPERT GROUP MEETINGS - AN INCREASE FROM \$519,000
TO \$795,000.

7. AS INDICATED IN HIS CONVERSATION WITH ASSISTANT
SECRETARY LEWIS IN APRIL, THE EXECUTIVE DIRECTOR HAS
RENEWED HIS REQUEST FOR THREE DEPUTY (ASG) POSTS.
WE SEE NO MORE CONVINCING ARGUMENT FOR THIS PROPOSAL
THAN WAS MADE A YEAR AGO, GIVEN KHANE'S PRIVATE

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ADMISSION THAT THE REAL REASON HE FEELS HE
NEEDS THREE DEPUTIES IS POLITICAL.

8. IN LIGHT OF STUDY REFERRED TO IN PARA
5 F OF REF B ATTENTION IS CALLED TO PROPOSED
SECRETARIAT ACTIVITY LISTED ON F-7 UNDER MEDIUM-TERM
OBJECTIVE 2, SUB-PARA 2.1(III). SECRETARIAT
(CARRE - CHIEF OF GLOBAL AND CONCEPTUAL STUDIES
SECTION WHO IS RESPONSIBLE FOR ORGANIZING SEPT. 1
EMINENT PERSONS MEETING) THINKS SEPT. 1 MEETING MIGHT
GET INTO THIS AREA IN WHICH CASE HE WOULD
APPRECIATE U.S. PARTICIPANT BEING PREPARED
TO DISCUSS UTILITY OF UNIDO INITIATING STUDIES OF
THIS KIND.

9. PAGE F-7, MEDIUM-TERM OBJECTIVES2, PARA 2.2
STATES THAT THE SECRETARIAT INTENDS TO EXAMINE THROUGH
A STUDY AND TWO MEETINGS OF EMINENT PERSONALITIES THE
POSSIBILITY OF ESTABLISHING A WORLD INDUSTRIAL DEVELOPMENT
ASSOCIATION TO FACILITATE WIDESPREAD DISCUSSION
OF THE PROBLEMS OF INDUSTRIALIZATION AND TO PROMOTE
UNDERSTANDING OF THE INTERDEPENDENCE OF INDUSTRIAL
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SECTORS IN DIFFERENT COUNTRIES. WE HAVE
QUESTIONED CARRE ON HOW THIS PROPOSAL MIGHT RELATE
TO THE DISCUSSIONS ON III NOW UNDERWAY. CARRE SAID THAT
ANY SUCH ASSOCIATION WOULD NOT BE INTENDED TO ENGAGE
IN RESEARCH AT A PROFESSIONAL LEVEL AND, THEREFORE,
NOT TO CUT ACROSS III. IT WOULD, RATHER, HAVE
AS ITS OBJECTIVE THE DISSEMINATION OF INFORMATION ON
PROBLEMS OF INDUSTRIAL DEVELOPMENT AND INTERDEPENDENCE
AND TO SERVE AS A FORUM FOR "ENLIGHTENING" PEOPLE
WHO MIGHT NOT OTHERWISE BE EXPOSED TO THIS AREA OF
PROBLEMS. OUR IMPRESSION IS THAT THIS IDEA IS
STILL PRETTY NEBULOUS. THE SCHEDULE OF UNIDO
MEETINGS (ID/LC.93) INDICATES AN EXPERT GROUP MEETING
FOR DEC. 6-10, 1976 TO DISCUSS THIS QUESTION. CARRE HAS
PROMISED TO CONSULT US ON AMERICAN PARTICIPATION.

10. THE QUARTERLY JOURNAL ON INDUSTRY AND
DEVELOPMENT REFERRED TO ON PAGE F8, PARA 2.4 IS
INTENDED TO REPLACE THE PRESENT PUBLICATION ENTITLED
INDUSTRIALIZATION AND PRODUCTIVITY. AT THE SAME TIME
PAGE F-28, PARA 2.1 STATES THE INTENTION OF PUBLISH

A SECOND PERIODICAL ENTITLED INDUSTRIAL RESEARCH AND DEVELOPMENT NEWS. WE MIGHT QUERY THE SECRETARIAT ON WHETHER IT WOULD NOT BE FEASIBLE TO COVER THE TYPE OF MATERIAL INTENDED TO BE PUBLISHED IN A SINGEL PERIODICAL SERIES.

1. THE KINDS OF ACTIVITIES LISTED ON PAGE F-16, PARA 6.2 - A STUDY OF THE USE IN DEVELOPED MARKET ECONOMY COUNTRIES OF PROTECTIONIST INDUSTRIAL POLICIES - AND ON PAGE F-17, PARA 8.2 - TO IDENTIFY POLICIES IN BOTH DEVELOPED AND DEVELOPING COUNTRIES THAT MAY RETARD A HIGHER DEGREE OF PROCESSING OF INDUSTRIAL RAW MATERIALS AND TO RECOMMEND MEASURES TO RECTIFY THE POSITION ARE EXAMPLES OF THE SECRETARIAT'S INTENTION TO BECOME MORE INVOLVED IN POLICY ISSUES RELATED TO INDUSTRIAL DEVELOPMENT.

12. WE ARE TOLD BY BALANO (CHIEF OF SECTORAL STUDIES) THAT THE TWELVE SECTORAL STUDIES LISTED ON PAGE F20, PARA 1.1 ARE ALL INTENDED EVENTUALLY TO SERVE AS THE LIMITED OFFICIAL USE

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BACKGROUND PAPERS FOR CONSULTATIONS ON EACH OF THESE SECTORS.

13. PAGE F-25, PARA 4.2 CONTAINS THE PROPOSAL TO INITIATE THE INDUSTRIAL AND TECHNOLOGICAL BANK ON A PILOT BASIS (REF C).

14. WE ASSUME INTERESTED WASHINGTON AGENCIES WILL TAKE PARTICULARLY CLOSE LOOK AT THE PROGRAM OF THE CIIS GIVEN THE SUBSTANTIAL GROWTH PROJECTED FOR THIS PART OF THE SECRETARIAT AND THE ROLE WHICH IT SEES FOR ITSELF.

15. VARIOUS SECRETARIAT SOURCES TELL US THAT A MAJOR EFFORT WAS MADE TO ACHIEVE A GOOD PROGRAM/BUDGET PRESENTATION IN ORDER TO OVERCOME LAST YEAR'S SHORTCOMINGS.

16. ADDENDUM TO TS 1000 COVERING THE INDUSTRIAL OPERATIONS DIVISION JUST RECEIVED AND AIRPOUCHED. STIBRAVY

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Message Attributes

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